

MARINE TRANSPORTATION SYSTEM REGIONAL DIALOG SESSION

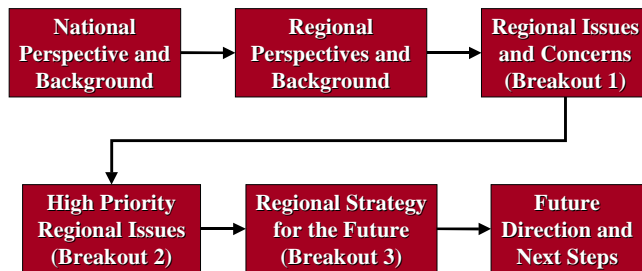
Los Angeles/Long Beach, CA

July 11, 2000



Nation's Busiest Seaports Host MTS Regional Dialog Session

Nearly 180 public and private sector participants gathered at the Port of Los Angeles Building in San Pedro, CA to hear about and discuss the nation's Marine Transportation System (MTS). This session was designed to help regional groups develop strategies for addressing regional maritime transportation issues. Port directors, terminal operators, cargo and passenger vessel operators, shippers, pilots, and representatives from federal, state and local agencies identified, discussed, and proposed strategies about wide-ranging issues affecting marine transportation on the West Coast. Participants heard reports from national and regional leadership and broke into two groups to identify and clarify regional issues and recommend mechanisms for addressing issues from the regional perspective.



The MTS Dialog Session structure gives participants opportunities to listen and to speak.

Federal Leadership Sets Context for Regional Discussion

After a welcome by **CAPT Frank Whipple**, Pacific Area Chief of Marine Safety Division, USCG, who served as Master of Ceremonies for the day, **VADM Ernest Riutta**, Commander, Pacific Area, USCG offered three keys to the success of the MTS: leadership, innovation, and cooperation. He remarked on "explosive expansion" in the LA region since he worked there before but acknowledged cutbacks in USCG funding. VADM Riutta ended by restating Secretary Slater's challenge in the MTS Report to Congress: "make certain our ports and waterways are ready to compete, and win, in the global economy of the 21st century."

Haleh Khavari, Field Representative for **Senator Dianne Feinstein** and **Art Yoon**, District Director for **Representative Steve Kuykendall** offered encouragement on behalf of elected officials from the region. Khavari commended the USCG for

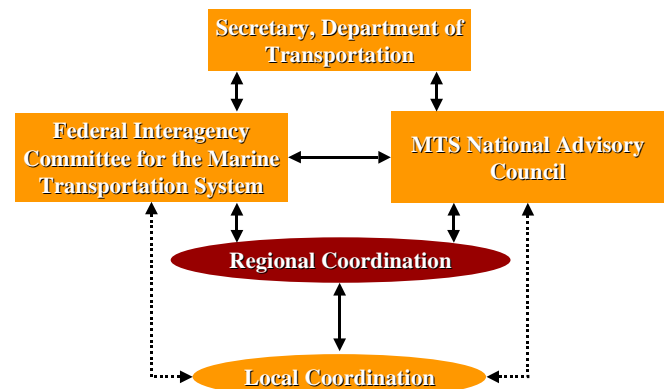
their work in managing the waterways and improving the safety and efficiency of the Marine Transportation System. Yoon cited facts and figures that affirm the role of the MTS as the "engine of the economy."



Bonnie Green, the Maritime Administration's (MARAD) Acting Deputy Maritime Administrator, gave attendees the MTS vision and told them how important the MTS initiative is to the Administration and Transportation Secretary Rodney Slater. Green encouraged them to work together with their federal partners on issues that transcend traditional geographic, functional, and organizational boundaries.

The MTS Vision: "The U.S. Marine Transportation System will be the world's most technologically advanced, safe, secure, efficient, effective, accessible, globally competitive, dynamic and environmentally responsible system for moving goods and people."

Jeff High, Director, Waterways Management, USCG, gave an update on what the federal government and its industry partners are doing at the national level to promote marine transportation system initiatives. High explained how activities at the national and local levels are moving forward and that what is needed now are mechanisms that provide communication and coordination at the regional level.



Regional coordination is essential to successful implementation of MTS initiatives

High discussed seven areas addressed in the 1999 MTS Report to Congress where action is needed to achieve the MTS vision:

- Coordination
- Funding
- Competitiveness & Mobility
- Improving Awareness
- Information Management & Infrastructure
- Security
- Safety & Environmental Protection

Charles Kurz, Vice President, Keystone Shipping and member of the MTS National Advisory Council (MTSNAC), asked “Is anyone here from the media?” Finding none, he noted that “There is no one here from the media to ‘tell the story’.” Kurz reminded participants that they are the stakeholders and they must create better public awareness of the MTS. He asked “How do we communicate an awareness of our industry to the public” and offered several possibilities. A website exists that has a very long address but it is a starting point. He feels that when the NAC meets on Sept 7 they need talking points from the RDSs as an agenda item. Kurz sees opportunities for research to be done and a need to look at where we do not have the answers. He encouraged participants to review the MTS Report to Congress as a tool for stakeholders, especially sections recommending specific action. Kurz challenged participants to come out of the session with a calendar and to “discipline ourselves to accomplish what we want by 2020. We have to set deadlines/target dates. We should have a calendar and hold the MTSNAC and the ICMTS accountable. We should have ZERO tolerance for pollution and do everything possible to mitigate environmental damages.”



Panel Describes West Coast Issues

Three panelists, representing different perspectives in the region gave their views of the most pressing regional problems. **Larry Keller**, Executive Director of the Port of Los Angeles, cited average annual growth of 10% over the past three years as indicative of the need to meet the demand that transportation planners KNOW is coming. Keller asserted that those outside of the maritime system do not know the system and do not get involved until something goes wrong. And when something does go wrong, the resulting back-ups and related problems can affect local, regional, and national freight mobility. Keller noted that the intermodal connections are important since trucks and trains move goods to their final destination. On another topic, he described Pier 400 as the “largest dredging project in the history of the U.S.” and that, while the project could have been bureaucratic, the Corps was business friendly in working with these major Southern California ports in the last 6-10 years. Keller projects container trade to double in the next ten years and believes that federal/local partnerships must be maintained and expanded. He said the dot.com and e-commerce business that emerged

last Christmas has not been factored into the role of ports. Funding for Corps is important, but US Customs must also have the manpower and technology to perform well. And all parties must be concerned with overlapping intermodal responsibilities.

Joe Miniace, President of the Pacific Maritime Association, discussed the regional, national and global implications of West Coast shipping. He said that “people need to know the process it takes to get furniture in the store – to get furniture from Thailand or strawberries in the winter.” The consumer expects the product on the shelf but trade, “like the quiet engine we have in our car, is not noticed unless it breaks down.” But, like the engine, it will work as long as we take care of it. Citing West Coast ports data, he challenged Congressional leaders to understand the importance of MTS and follow through with support for MARAD and USCG. For example,

- The West Coast has the 3rd largest port complex in the world and the 1st and 2nd largest ports in the U.S.
- West Coast shipping has grown from 60 million tons in 1970 to 240 million tons in 1999
- In 1970, 15% of west coast shipping was containerized cargo compared to 65% in 1999
- 6.6 million containers were handled by West Coast ports in 1998 providing 44,000 jobs directly and 91,000 jobs indirectly
- 7% of the U.S. GDP represented by activity at the west coast ports and they are the Nation’s key link to Asian trade
- West Coast ports provide the intermodal linkage between Asia and the Midwestern, North and South Atlantic and Gulf cost states
- LA/LB is the largest generator of container cargo in the country and LA/LB generate 57,562 jobs in Southern CA

Miniace closed by stating what he feels is most critical to sustain the anticipated growth: new technology and the ability to recruit skilled labor.

Scott Merritt, FOSS Maritime Director of Operations for San Francisco Bay and Co-Chair of the SF Bay Harbor Safety Committee and **Alan Storm**, Oil Prevention Specialist in the Office of Oil Spill Prevention and Response for the California Department of Fish and Game, reported on best practices and lessons learned from Harbor Safety Committees. They cited the keys to success as 1) commitment to operate and maintain safe and environmentally sound practices and 2) cooperation between industry, government, and environmental interests. They recommended tailoring the membership of each Committee to suit the needs of the Harbor and expressed concern over the ‘institutional memory’ that HSC maintain.

Breakout Groups Consider Regional Issues

Informed by presentations on the national MTS initiatives and on issues identified by the regional panel, participants divided into two groups to review, clarify, augment, and prioritize issues of regional significance. Later, they developed regional strategies for addressing high priority needs. Each breakout

group was intentionally diverse so that multiple perspectives were aired across all issues. After reviewing issues from previous regional listening sessions and surfaced by the regional panelists, each breakout group prepared a list of issues they felt needed to be addressed through regional coordination and cooperation. Session facilitators reviewed the two and found many items in common. ALL of the issues brought forth in the meeting are listed to provide input into future MTS efforts.

Group 1 high priority regional issues (with highest priority issues listed first):

Awareness of MTS

- Recognize MTS as a national asset
- Articulate a clearer vision for the MTS in the national/international trade and transportation system
- Awareness of MTS as part of integrated system
- Elevate public awareness of economic value of ports to the economy of the state and nation

Intermodal Planning

- Connecting port development to regional surface transportation planning (CVO, rail, air)
- Give priority to ports and maritime infrastructure now given to A/P, highways, pipelines, and rail
- Create intermodal transportation partnership with mobility as its goal

Regulatory Consistency

- Need for clear and simple regulations
- Coordination of multiple state, federal, and local agencies not to contradict each others "needs"
- Standardization of local, state, and federal regulations and their interpretation

Informing Elected Officials

- Educate state legislature and governor in the need for participation in local cost share funding
- Educate elected officials and their constituents outside the region whose states benefit from West coast ports
- Educate state legislation, and key staff on need for full funding of authorized CA port projects (35% of legislation staff have favorable position)

Other High Priority Regional Issues

- Need an environmentally sound national dredging policy
- Application of functional management to the system
- Institutionalized stakeholder forum for national/regional policy development
- Need for master MTS planning
- Improved efficiency and safety of transportation system
- Improve/simplify communications among regulators, maritime community, vessels, VTS, public, labor, management, and shippers
- Improve the safety of people in the system
- Safety and environmental concerns
- Single voice within the state on economic value of waterways
- Adequacy and timeliness of nautical charts, weather forecast, PORT system
- Education of people coming into the maritime industry
- Develop modern automated offshore marine terminals for tankers loading/unloading operations

- Maximizing limited port land assets, including breakbulk, liquid bulk, dry bulk, and containers
- Encourage the California Congressional delegation to increase funding or at least maintain current funding levels
- Awareness and compliance of maritime regulations by recreational boating public
- Preserve and promote adequate recreational boating facilities in the face of port expansion
- Assessment of strategies to reduce air quality impacts of marine and surface transportation assets
- Coordination with environmental interests on maritime transportation issues

Group 2 high priority regional issues (listed highest to lowest priority):

- Need to eliminate duplicative inspections from multiple Federal / State / Local agencies and harmonize local and regional regulations as they affect ship operations.
- Facilitate highway and rail transportation system to the ports
- Increase MTS earmarks (national funds) for national transportation projects
- Need for master regional MTS planning
- Increase utilization of MTS Infrastructure to increase throughput through process improvements
- Promote education of environmental issues associated with MTS
- Develop reasonable ballast water management policy (invasive species)
- Improve/simplify communications among regulators, maritime community, vessels, VTS, public, labor, management, and shippers
- Labor-force and terminal acreage needs to meet projected demand
- Improve the safety of people in the system
- Improved efficiency and safety of transportation system
- Need for broader regional emergency response agency plans, operations and training
- Share findings across Harbor Safety Committees and Area Committees & with the public
- Need an environmentally sound national dredging policy
- Institutionalized stakeholder forum for national/regional policy development
- Recognize MTS as a national asset
- Educate broader stakeholders on air quality marine issues and work on improvement strategies
- Increased attention to oil spill prevention
- Address local community impacts & transportation impacts as demand grows
- Need for economical deposition of oily residues
- Articulate a clearer vision for the MTS in the national/international trade and transportation system
- Need dialogue for state alternative landfill mitigation projects
- Improve interaction with recreational boaters
- Application of functional management to the system

- Facilitate maintenance & improvement of Federal channels and landside facilities
- Increase interaction in sharing waterways (education) with commercial operations vs. recreational
- Need for better data for planning & research and make data available to the public
- Need for clear and simple regulations

Breakout Groups Recommend Regional Strategies

After developing prioritized lists of regional issues, each breakout group selected several high priority issues for further development. Groups developed specific actions to be taken to further regional coordination and cooperation. Recommended strategies are shown in the tables below.

Summary of Action Plans for Regional Coordination

High Priority Regional Coordination Need: Facilitate highway and rail transportation system to the ports			
Action	Who	When	Desired Outcome
Involvement in the regional planning process	All stake holders and the responsible agency (SCAG)	Ongoing	Incorporation of port related transportation improvements in regional plan
Make legislators aware of the issues of the plan (regional transportation plan and the port master plan)	SCAG (Southern California Association of Governments), ports	Ongoing	Increased awareness and funding
High Priority Regional Coordination Need: Increase MTS earmarks (national funds) for national transportation projects			
Action	Who	When	Desired Outcome
Educate legislators on the value of MTS and regional transportation needs captured in a plan	Private sector, MTSNAC, CAPA, State economic development agency (Governor)	Now	Gain understanding and buy-in
Educate the public on the value of MTS	Stakeholders, MTSNAC	Ongoing	Public support
Educate the stakeholders (Consumers, service providers, end users, anybody associated with cargo and people)	Industry associations, US Chamber of Commerce	Now	Stakeholder support
Explore innovative funding mechanisms	MTSNAC	As part of scheduled deliberations	Proposed methods and possible funding
Coordinate federal funding processes for MTS	Federal HQ agencies	Budget cycle	Increased funds and reduced duplication of funding commitments
High Priority Regional Coordination Need: Need for regional master MTS planning			
Action	Who	When	Desired Outcome
Identify national MTS strategic planning	ICMTS	1 Month	Draft document
Identify local regional MTS planning	States-BC Task Force, Harbor Safety Committees and area committees, MPO's (metropolitan planning organizations)	Scheduled meeting frequency	Increased awareness of the need to take on the planning
Ensure master planning flows up the organization not down	ICMTS	Ongoing	Better coordinated plans and identify key issues
Incorporation of National Defense needs	USCG / MARAD, DOD agencies	Ongoing	Proper consideration within the National strategy
High Priority Regional Coordination Need: Recognize West Coast MTS as National Asset			
Action	Who	When	Desired Outcome
Public awareness campaign	Port Authorities, Trade Organizations, intermodal organizations with their government partners, MPO	Next 12 months	Greater acceptance of infrastructure improvements and recognition in transportation plans
Engage CA Secretary for business, transportation, and housing and Secretary of Resources, Secretary of Trade and Commerce, (Governor and his cabinets)	CAPA, CMANC,	NOW	Governor's acceptance of MTS as part of state transportation system
Get West Coast MTS message in the DNC welcome speech	Port of LA	NOW	National awareness
Form a broad base regional MTS action team that coordinates with national MTS NAC to educate elected officials and others, and to facilitate MTS	ONEDOT coordinators to facilitate and partnership with MTS NAC	Formed by December 2000	To increase support and knowledge of elected officials of MTS
Letter from SECDOT to Governors about MTS	ONEDOT (HQ)	September 2000	To gain attention and support